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Pour: Timothy Sargent

Date: FEB 27 2019

Object: **MEETING WITH DEPUTY MINISTER FRANK DUNN, FISHERIES &**  
Objet: **AQUACULTURE, NOVA SCOTIA**

From /  
De: Renée Sauvé, A/ Director General, External Relations

FEB 26 2019

Via: Anne Lamar, Senior Assistant Deputy Minister, Strategic Policy

FEB 27 2019

Additional approvals:

Autre(s) approbation(s):



Material for the Minister  
Documents pour le Ministre



Your Signature  
Votre signature



Information

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Fisheries and Oceans  
Canada

Pêches et Océans  
Canada

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Anne Lamar, SADM

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## **SCENARIO NOTE FOR THE DEPUTY MINISTER**

### **MEETING WITH DEPUTY MINISTER FRANK DUNN, FISHERIES & AQUACULTURE, NOVA SCOTIA**

**Date and Location of Meeting:** March 1, 2019 (10:30-11:00am EST); phone call

#### **Objective**

To establish a DM-level working relationship with the province and advance common goals to promote and sustainably manage Canada's fish and seafood sector, including aquaculture.

#### **Key Points to Register**

Key issues include the upcoming Canadian Council of Fisheries and Aquaculture Ministers' meeting of deputy ministers, marine conservation, Northern Pulp Nova Scotia Corporation, and the Kameron Collieries Donkin Coal Mine.

Supplementary information, including on aquaculture, is attached in Annex A. Mr. Dunn's biography is attached in Annex B.

1. **Canadian Council of Fisheries and Aquaculture Ministers (CCFAM)** – The annual CCFAM Deputy Ministers' meeting is being planned for April 2019 in Saskatchewan. You may wish to probe your colleague for any key issues he would like to discuss at the meeting. A meeting agenda is being co-developed with provinces and territories.

#### **Key Messages**

- **I hope you can attend the next annual CCFAM Deputy Ministers' meeting, which is being planned for April 15, 16, in Saskatchewan.**
  - **We will be circulating an agenda for comment in the coming weeks. I would appreciate any views you may have on priority issues that could be addressed at the upcoming meeting.**
2. **Marine Conservation** – Nova Scotia remains concerned with the implementation of the Government's marine conservation agenda, most notably Marine Protected Areas (MPAs), and potential impacts on future offshore oil and gas development. The Department is working closely with the Province of Nova Scotia as it continues to advance work to establish MPAs in the region, particularly the Eastern Shore Islands Area of Interest as a

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potential contribution to meeting the 2020 Marine Conservation Target. No final decisions have been made regarding the design of the proposed MPA, including boundaries or prohibited activities. This will require further assessment of the degree of risk posed by human activities in the area and will be informed by consultation with stakeholders, including the province.

Going forward, the Province will be particularly interested in the Government's response to the report from the National Advisory Panel on Marine Protected Area Standards and potential implications on future offshore oil and gas development.

#### **Key Messages**

- **I recognize Nova Scotia's concerns around the potential impacts of Marine Protected Areas on future offshore oil and gas development.**
- **We are still considering advice received from the National Advisory Panel and we intend to discuss any new approaches to oil and gas in Marine Protected Areas and Marine Refuges with your government, the fishing industry and other stakeholders prior to implementation.**
- 3. **Northern Pulp Nova Scotia Corporation** – Nova Scotia may press for a position on a proposal from Northern Pulp mill in Pictou, N.S., which would see up to 70 million liters of treated effluent per day pumped into the Northumberland Strait. The Province is currently reviewing the application from the proponent (March 9 review deadline), with some stakeholders calling for increased federal involvement, including a federal environmental assessment process. On a separate track, DFO is awaiting additional information from the proponent in order to determine whether the project will require a *Fisheries Act* authorization to proceed. Vocal opposition from the fishing industry, particularly in Prince Edward Island, continues to grow given the potential impacts to the marine environment and fishery.

#### **Key Messages**

- **I understand the process for review is well underway and we are committed to working with your department to provide expert advice as required.**
- **That said, I recognize that Nova Scotia Environment and Environment and Climate Change Canada are the lead agencies as it relates to effluent.**
- **From a DFO perspective, I understand we require additional information from the proponent in order to complete the review and determine whether the project will require a Fisheries Act Authorization to proceed.**

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4. **Kameron Collieries Donkin Coal Mine - The Donkin Coal Export Project (the Project)** proposed by Kameron Coal Management Limited involves the re-opening and operation of an underground coal mine facility at the site of the existing Donkin Mine located on Cape Breton Island. The Project includes the construction of barge loading dock, and transshipment facilities consisting of a breakwater, wharf and a mooring in Mira Bay.

Local fishers and Indigenous groups have raised concerns about proposed construction and operational activities in the marine environment. A *Fisheries Act* Authorization from DFO will likely be required for the construction of the loading dock. Once an application is received, DFO will review it and determine whether to issue a *Fisheries Act* Authorization and/or *Species at Risk Act* permit. DFO will continue to consult with Indigenous groups in fulfillment of the Government of Canada's duty to consult with Indigenous groups prior to issuance of any authorization or permit. Nova Scotia may seek an update on this process.

**Key Messages:**

- **At this time, DFO has not received an application for *Fisheries Act* authorization from Kameron Collieries for the construction of their proposed barge loading facility.**
- **DFO will conduct a regulatory review of the proposed project for impacts on fish and fish habitat after receiving an application from the proponent.**
- **DFO does not regulate the transport of materials in the marine environment. However, we will work collaboratively with other government departments and local ocean users to ensure that Kameron Collieries undertakes safe and responsible marine operations.**

**Follow Up**

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## **Annex A – Background and Additional Information**

### **Aquaculture**

At the Canadian Council of Fisheries and Aquaculture Ministers (CCFAM) meeting in December 2018, Ministers and delegates directed F/P/T officials to work collaboratively to develop an approach to federal aquaculture legislation. Ministers agreed to pursue a federal aquaculture act that will enhance sector transparency, facilitate the adoption of best practices and provide greater consistency and certainty for industry.

NS supports the development of a federal aquaculture act. CCFAM Ministers have emphasized that the Act must respect the shared F/P/T jurisdiction over aquaculture, avoid duplication with P/T legislation and regulations, and recognize regional differences in the aquaculture sector. DFO has begun engaging an array of stakeholders and Indigenous groups to understand their key priorities. Engagement in NS will be scheduled in the coming months.

NS has been actively pursuing the growth of the aquaculture industry and is looking to DFO to be prepared to assess applications in a timely, yet rigorous manner pursuant to regulations informing their siting decisions. Siting decisions are taken by an independent body in NS. The region has been developing regional tools, such as a finfish siting framework outlining the regional program roles and responsibilities and standardising process and timelines to provide greater predictability and support in DFO's part of the siting process review.

### **Marine Conservation**

Discussions on the Government of Canada's response to the National Advisory Panel on Marine Protected Area (MPA) Standards (Panel) and meeting the 10% marine conservation target through MPAs are ongoing at the DM level between DFO, Natural Resources Canada and NS.

Since 2015, there has been public debate about what should be allowed or prohibited in MPAs and marine refuges. In response, the National Advisory Panel on MPA Standards was established in April 2018 to solicit views and advice on protection standards. The Panel delivered its report in September 2018, recommending prohibitions on oil and gas exploration and exploitation, mining, dumping and bottom trawling in federal MPAs, and a risk-based approach to determining which activities should be allowed to occur in marine refuges.

DFO created an Eastern Shore Islands Area of Interest Advisory Committee which serves as a key mechanism for multi-sector engagement to advance the MPA establishment process. The second meeting took place on January 22, 2019 and focused on the ecological risk assessment and the high protection zone. A Working Group with members from the Eastern Shore Fisherman's Protective Association (ESFPA) has also been created, and has led to constructive discussions between DFO and the ESFPA. The recent release of the draft ecological risk assessment for inshore lobster ~ confirming low risk and no requirement for additional controls ~ will improve relations.

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### **Northern Pulp Nova Scotia Corporation**

Northern Pulp Nova Scotia Corporation (Northern Pulp) operates a paper mill in NS. The province operates a treatment facility for the mill's process effluent.

NS passed the *Boat Harbour Act* in May 2015, which will prohibit the use of the provincially-owned treatment facility for the treatment of effluent from the mill past January 30, 2020. To be in compliance with the *Boat Harbour Act*, Northern Pulp intends to install a new effluent treatment system that will involve the construction of a new submerged pipe and associated marine outfall to be located in the Northumberland Strait.

In May 2017, DFO received a *Request for Review* application from Northern Pulp for the construction of a new submerged pipe. It was determined that there was missing information and the application was considered incomplete. DFO is awaiting additional information from the proponent in order to complete the review and determine whether the project will require a *Fisheries Act* Authorization to proceed.

The NS Environmental Assessment application for the new treatment facility was submitted to Nova Scotia Environment on January 31, 2019 and was posted on the NS Environmental Assessment website on February 7, 2019 with a request for comments by March 9, 2019. DFO will review the document and provide expert advice to Nova Scotia Environment by the March 9, 2019 deadline.

DFO will continue to participate in the consultation process, however if a *Fisheries Act* Authorization is not required, DFO's legal requirement to consult will cease, but DFO can continue to provide expert advice during the consultations.

### **Donkin Coal Mine**

In November 2011, DFO and Transport Canada commenced an environmental assessment of the Donkin Coal Export Project (the Project), and in July 2012, Nova Scotia Environment commenced an environmental assessment of the Project under the Nova Scotia *Environmental Assessment Regulations*. In 2013, the Project received federal and provincial environmental assessment approvals with conditions. On March 1, 2017, Kameron Coal Management Limited announced that production at the mine had commenced.

On June 11, 2018, DFO reviewed a proposal from Kameron Coal Management Limited to conduct a geotechnical survey at the site of the proposed coal barge loading dock. DFO determined that the proposed survey, which involves five boreholes drilled over a 72 hour period, was unlikely to result in serious harm to fish or impacts to aquatic species at risk and issued a letter to the proponent on July 4, 2018 indicating that a *Fisheries Act* Authorization is not required.

In September 2018, local fishers raised a variety concerns about perceived impacts of the proposed geotechnical and seismic surveys, construction and operation of the loading dock, and coal dust on local fisheries, including: potential gear damage and displacement from fishing areas as a result of the construction and operation of the loading dock, lethal and sublethal impacts to lobster, snow crab and groundfish, and habitat loss from construction of the loading

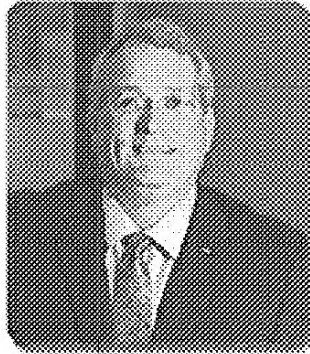
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dock. On September 18, 2018 local fishers organized a blockade at the entrance to the mine and requested that the proponent reconsider all project activities in the marine environment. DFO anticipates ongoing protests and media attention associated with the project.

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## **Annex B**

### **Frank Dunn Deputy Minister, Fisheries and Aquaculture**



Frank Dunn has 33 years with the provincial civil service in a variety of senior roles and joined the Departments of Agriculture and Fisheries and Aquaculture as Deputy Minister in December 2016. Prior to that he served as Deputy Minister of Natural Resources, and Acting Deputy Minister, Chief Operating Officer and Associate Deputy Minister all at the Department of Education and Early Childhood Development.

Previously, he was the Executive Director of Policy and Planning at the Department of Finance, responsible for developing and coordinating the provincial budget. He also worked at the Treasury Board for five years as a Senior Corporate Financial Analyst responsible for the health file.

From 1996 to 2001, Frank worked at the Department of Natural Resources as the first Director of Finance for the Resources CSU. This CSU is responsible for all financial activities for the provincial resource departments.

Frank holds a Bachelor of Science (Honours) in Marine Biology from Dalhousie University, an MBA with a major in Finance from Dalhousie University, as well as Certified Management Accountant and Certified Internal Auditor designations.

In his spare time, he is Treasurer of the Sackville slow pitch baseball league. His interests include hockey, baseball and golf.